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Good morning Mr. Chairman and Members of the Committee. I am pleased to appear before your Subcommittee to discuss The Department of Homeland Security's (DHS) efforts to protect and secure our Nation's critical infrastructure.

The Department's Information Analysis and Infrastructure Protection Directorate (IAIP) was established by the Homeland Security Act to access, receive, and analyze law enforcement information, intelligence information, and other information from agencies of the Federal Government, State and local government agencies (including law enforcement agencies), and private sector entities, and to integrate such information in order to identify and assess the nature and scope of terrorist threats to the homeland; detect and identify threats of terrorism against the United States; and understand such threats in light of actual and potential vulnerabilities of the homeland.

In addition, IAIP carries out comprehensive assessments of the vulnerabilities of the key resources and critical infrastructure of the United States, including the performance of risk assessments to determine the risks posed by particular types of terrorist attacks within the United States. These terrorist acts could be manifest in many forms, including attacks against our critical infrastructure, key assets, and national icons. Both physical and cyber assets have vulnerabilities that may be exploited by our enemies. The highly interdependent nature of our infrastructure makes physical and cyber weaknesses impossible to separate – and difficult to address separately.

Our overall protection methodology leverages an integrated physical/cyber protection approach to reduce vulnerabilities and to optimize our response when an attack does occur. Because of the disproportionately high physical threat facing US chemical facilities, however, my remarks for today's hearing are directed at our physical security efforts toward safeguarding U.S. chemical facilities.

The IAIP directorate has a dedicated organization committed to protecting physical assets and includes the Infrastructure Protection (IP) Office for which I am responsible. That organization is called the Protective Security Division (PSD). Today, I am here to give you a progress report on where we are now, and what we have in store for the coming months to implement the President's *National Strategy for Homeland Security* as it relates to chemical security.

Since last year, IP has implemented a consolidated and coordinated team of physical security professionals. These experts were integrated from portions of the FBI, Department of Commerce, and the Department of Energy.

Specifically, IP is charged with the responsibility of:

- identifying critical infrastructure and key assets;
- assessing their vulnerabilities;
- assessing the risk to and consequences of an attack against those infrastructures and assets; and

- working with state, local, territorial, and private sectors to implement appropriate security measures.

More specifically, IP is working to improve the safety and security of the nation's chemical plants and facilities as part of the critical infrastructure protection directives in the *Homeland Security Act* and *National Strategy for Homeland Security*. Despite the many organizational and cultural challenges associated with integrating these elements into one entity, our initial efforts have yielded effective, tangible, and measurable results.

Every day at DHS, we ask ourselves "how are we safer today, and how do we measure our progress?" Today, I have some answers to those questions. Since its inception in March, 2003, IP has:

- Placed chemical site security on the top priority list for physical infrastructure protection.

- Managed Operation Liberty Shield, a domestic protection strategy that included deployment of members of the National Guard and state police to approximately 150 sites across the United States, over half of which are chemical facilities.

- Conducted a national risk analysis of the chemical sector to identify the most hazardous and highest-risk sites.

- Deployed DHS protective security counterterrorism specialists to top priority chemical sites to identify vulnerabilities to attacks and develop prevention strategies with site management and local officials.

- Completed vulnerability assessments, developed specific buffer zone security plans and provided training and assistance to implement those plans.

By the end of this year, we will have built on these accomplishments by:

- Reducing vulnerabilities through implementation of physical and cyber protective measures at 1700 high risk chemical, nuclear, and soft target sites

- Increasing security at the 500 of the 1000 highest risk sites through deployment of protective security advisory teams to implement protective measures and train owners and operators in incident response and protective measure implementation

This approach includes full engagement with the protective security community at the state and local levels, and this has already resulted in the increased safety and security of millions of Americans living near the highest-risk sites.

We have developed:
- a report on chemical facility common vulnerabilities;
- a template for protection plans for areas adjacent to chemical facilities; and
- a report on potential indicators of terrorist activities related to chemical sites.

These reports have been published and distributed throughout the country to law enforcement authorities and to each state's Homeland Security Advisor.

Additional Actions Taken by IP
We are:

- developing and using a graded approach to the approximately 66,000 chemical sites (based on EPA records) in the U.S. and identifying 4012 sites that should have vulnerability assessments performed;
- reviewing the amount of toxic materials stored at those sites;
- developing plume modeling of 146 chemical plants using the National Atmospheric Release Advisory Center (NARAC) for more detailed effects prediction;
- reviewing the population density in the vicinity of large amounts of toxic chemicals; and
- evaluating possible impacts of intentional attack as opposed to the accidental release model used in safety programs.

High-risk sites will be visited on a regular basis to assist in implementation of security recommendations. We will also visit additional sites to provide training, support, and recommendations and will do regular follow-up visits. These visits and protection plans will reduce the risk to millions of Americans.

IP's close association with industry is exemplified by our close interaction with the more than 20 Information Sharing and Analysis Centers (ISACs). One example of this interaction is the *Vulnerability Assessment Methodology for the Petroleum and Petrochemical Industries* published by the American Petroleum Institute (API) that were collaboratively crafted by IP and API and were published in May of 2003. A more recent collaboration with the Chlorine Institute and the American Association of Railroads included a joint program to reduce vulnerabilities of rail cars used for chlorine transport.

Protecting our infrastructure is a Department-wide responsibility. In 2002, the Maritime Transportation Security Act was passed. Regulations now in place require some 5000 sites to provide security plans to the Coast Guard, 289 chemical facilities are included. Security plans are being prepared and submitted as we speak.

The Environmental Protection Agency (EPA) is another agency we work closely with. Historically, the EPA has been charged with identifying chemical and other substances that could affect the quality of the air we breathe and the water we drink. Part of their mission includes regulations requiring chemical facilities that meet or exceed certain guidelines to develop and update documents that are called Risk Management Plans (RMPs). These plans center on accidental releases of chemicals harmful to humans into the air or water. The EPA published that there are about 15,000 chemical plants in the U.S.

Before detailing our future programs and initiatives, I would like to address these EPA numbers as they are being used by the media and others regarding the security at chemical plants. While these facts may adequately address environmental, emergency preparedness, and first-responders' concerns, they do not appropriately reflect the possible results of terrorist attacks. The IP analysis of terrorist scenarios shows that of the 15,000 or so chemical sites identified by EPA, about 4000, if attacked, would affect populations of 1000 or more.

Conclusion
Over the next year, the DHS will engage with approximately 4,000 chemical sites throughout the United States to continue to enhance security of critical infrastructure sites in the chemical

sector. These additional visits and protection plans will reduce the risk to tens of millions of Americans in 50 states, the District of Columbia, and U.S. territories.

Working with industry, local law enforcement and state and local officials in close partnership, the Department is working to ensure the security of our nation's chemical facilities and infrastructure. I appreciate the opportunity to testify before you today. I would be pleased to answer any questions that you have at this time.